

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Chicopee Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 11, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on October 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.5% to 7.25%.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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CHICOPEE CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Unfunded Liability	Asset Loss/(Gain) Recognition	Normal Cost	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	Adjusted Payments	% Change
2021	77,904,646	-	3,563,746	15,123,884	382,468	19,070,098	19,403,754	3.00%
2022	67,332,367	-	3,715,205	15,544,528	382,468	19,642,201	19,985,867	3.00%
2023	63,570,181	8,027,723	3,873,101	15,975,897	382,468	20,231,467	20,585,443	3.00%
2024	51,044,869	-	4,037,708	16,418,235	382,468	20,838,411	21,203,006	3.00%
2025	47,074,249	9,937,184	4,209,311	16,871,784	382,468	21,463,563	21,839,096	3.00%
2026	32,392,143	-	4,388,207	17,336,795	382,468	22,107,470	22,494,269	3.00%
2027	16,146,860	-	4,574,705	16,146,860	382,468	21,104,034	21,473,276	-4.54%
2028	-	-	4,769,130	-	382,468	5,151,598	5,241,732	-75.59%

Amortization of Unfunded Liability as of July 1, 2020

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2021	Fresh Start	N/A	N/A	7	N/A	7

* Contribution is set to be the amount resulting from a 3% increase on the prior year's contribution, with 3% increases thereafter.
The contribution in FY2027 decreases by -4.54%.

Bases in the funding schedule:

- Fresh Start amortization of the unfunded liability: 7 years.
- Deferred recognition of assets gains and losses, recognized in the contributions over the course of the amortization period.